

40.650 Veterans' Personal Loan Program.

- (1) As used in this section:
 - (a) "Department" means the Department of Veterans' Affairs; and
 - (b) "Veteran" means a person who served in the active Armed Forces of the United States, including the Coast Guard of the United States, and was released, separated, discharged, or retired therefrom under honorable or general conditions.
- (2) A veterans' personal loan program trust fund is established to oversee and administer funds under the Veterans' Personal Loan Program.
- (3)
 - (a) To be eligible for a loan under the Veterans' Personal Loan Program, an applicant shall be a resident of, and living in, the Commonwealth on the date of the application.
 - (b)
 1. As used in this paragraph, "qualified" means having met loan conditions established by an administrative regulation promulgated by the department. However, the term of a loan shall not exceed ten (10) years.
 2. The department shall cause the veterans' personal loan program trust fund to lend a qualified veteran or deceased veteran's unremarried spouse not more than ten thousand dollars (\$10,000), or a lesser amount established by an administrative regulation promulgated by the department, for:
 - a. The purchase of a home, business, or business property;
 - b. The education of the loan applicant or the loan applicant's spouse;
 - c. The payment of family medical or funeral expenses; or
 - d. The consolidation of debt.
 3. The department shall cause the veterans' personal loan trust fund to lend a qualified child of a veteran or parent or guardian of that child not more than ten thousand dollars (\$10,000), or a lesser amount established by an administrative regulation promulgated by the department, for the education of that child, who is under the age of twenty-seven (27), at a university, junior college, vocational training institute, or nonpublic school admitting children in preschool through grade twelve (12).
 - (c) No person shall receive a loan under this section in an amount that, when added to the balance of the person's existing loan or loans under this section, would result in a total indebtedness to the veterans' personal loan program trust fund of more than ten thousand dollars (\$10,000), or a lesser amount established by an administrative regulation promulgated by the department.
- (4)
 - (a) The veterans' personal loan program trust fund shall:
 1. Execute necessary instruments; and
 2. Collect principal and interest.
 - (b) The veterans' personal loan program trust fund may:
 1. Compromise indebtedness;

2. Sue and be sued;
 3. Post bonds;
 4. Write off indebtedness that it considers uncollectible;
 5. Exercise the rights of an owner and mortgagee if a loan provided under this section is secured by a real estate mortgage;
 6. Charge to a loan applicant loan expenses incurred under this section; and
 7.
 - a. Receive state appropriations, gifts, grants, federal funds, and any other funds both public and private.
 - b. Funds received, which are not necessary for the operation of the veterans' personal loan program trust fund, shall remain with the department to finance other department operations.
- (5) The department shall promulgate administrative regulations necessary to carry out the provisions of this section.

Effective: July 12, 2006

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